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Introduced and read first time: February 9, 2006

Assigned to: Economic Matters

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A BILL ENTITLED

1 AN ACT concerning

2 **Real Estate Licenses - Reciprocity**

3 FOR the purpose of authorizing the State Real Estate Commission to issue a  
4 reciprocal license to certain persons holding a license to provide real estate  
5 services in another state and whose principal place of business is outside the  
6 State; prohibiting a real estate salesperson or associate real estate broker  
7 holding a reciprocal license from conducting business in the State except in  
8 affiliation with a real estate broker holding a standard or reciprocal license;  
9 authorizing the implementation of written reciprocal licensing agreements with  
10 the real estate licensing authorities of other states under certain circumstances;  
11 exempting the holder of a reciprocal license from certain requirements;  
12 prohibiting the holder of a reciprocal license from becoming a member of the  
13 Commission; specifying that obtaining a reciprocal license from the Commission  
14 constitutes sufficient contact with the State for the exercise of personal  
15 jurisdiction by the Commission and the courts of the State over the holder of the  
16 reciprocal license in certain actions; requiring the Commission to annually  
17 publish in the Maryland Register, and on the Internet, certain information  
18 regarding reciprocity agreements with other states; defining certain terms; and  
19 generally relating to real estate licenses.

20 BY adding to

21 Article - Business Occupations and Professions  
22 Section 17-3A-01 through 17-3A-11, inclusive, to be under the new subtitle  
23 "Subtitle 3A. Reciprocity"  
24 Annotated Code of Maryland  
25 (2004 Replacement Volume and 2005 Supplement)

26 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
27 MARYLAND, That the Laws of Maryland read as follows:

1 **Article - Business Occupations and Professions**

## 2 SUBTITLE 3A. RECIPROCITY.

3 17-3A-01.

4 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS  
5 INDICATED.6 (B) "RECIPROCAL LICENSE" MEANS A LICENSE ISSUED UNDER THIS  
7 SUBTITLE.8 (C) "STANDARD LICENSE" MEANS A LICENSE ISSUED UNDER SUBTITLE 3 OF  
9 THIS TITLE.

10 17-3A-02.

11 (A) SUBJECT TO THE LIMITATIONS OF THIS SUBTITLE, THE COMMISSION MAY  
12 ISSUE A RECIPROCAL LICENSE TO A PERSON:13 (1) HOLDING A CURRENT LICENSE TO PROVIDE REAL ESTATE SERVICES  
14 ISSUED BY ANOTHER STATE; AND15 (2) WHOSE PRINCIPAL PLACE OF BUSINESS FOR THE PROVISION OF  
16 REAL ESTATE SERVICES IS OUTSIDE THE STATE.17 (B) THE RECIPROCAL LICENSE SHALL BE FOR THE TYPE OF LICENSE THE  
18 COMMISSION DETERMINES IS MOST SIMILAR TO THE TYPE OF LICENSE ISSUED BY  
19 THE OTHER STATE.

20 17-3A-03.

21 OBTAINING A RECIPROCAL LICENSE FROM THE COMMISSION SHALL  
22 CONSTITUTE SUFFICIENT CONTACT WITH THE STATE FOR THE EXERCISE OF  
23 PERSONAL JURISDICTION BY THE COMMISSION AND THE COURTS OF THE STATE  
24 OVER THE HOLDER OF A RECIPROCAL LICENSE IN ANY ACTION OR PROCEEDING  
25 ARISING OUT OF ACTS OR OMISSIONS BY THE HOLDER OF THE RECIPROCAL LICENSE:

26 (1) IN THE STATE; OR

27 (2) RELATING TO AN ACTUAL OR PROPOSED TRANSACTION INVOLVING  
28 REAL PROPERTY LOCATED IN THE STATE.

29 17-3A-04.

30 EXCEPT AS OTHERWISE PROVIDED IN THIS SUBTITLE, THE COMMISSION SHALL  
31 ISSUE A RECIPROCAL LICENSE TO AN APPLICANT LICENSED IN ANOTHER STATE TO  
32 PROVIDE REAL ESTATE SERVICES IF:33 (1) THE APPLICANT FILES WITH THE COMMISSION AN APPLICATION FOR  
34 A RECIPROCAL LICENSE;

1                   (2)    (I)    THE JURISDICTION IN WHICH THE PRINCIPAL PLACE OF  
2 BUSINESS OF THE APPLICANT IS LOCATED SUBMITS A CERTIFIED COPY OF A  
3 CURRENT LICENSE ISSUED TO THE APPLICANT; OR

4                   (II)   THE LICENSING BODY FOR THE OTHER STATE SUBMITS A  
5 CERTIFIED STATEMENT INDICATING THAT THE APPLICANT HOLDS A CURRENT  
6 LICENSE IN THE OTHER STATE;

7                   (3)    THE LICENSING BODY FOR THE OTHER STATE SUBMITS:

8                   (I)    A STATEMENT INDICATING WHETHER THE APPLICANT HAS  
9 BEEN THE SUBJECT OF ANY DISCIPLINARY PROCEEDING; AND

10                  (II)   IF THE APPLICANT HAS BEEN THE SUBJECT OF ANY  
11 DISCIPLINARY PROCEEDING, THE DETAILS OF THE PROCEEDING;

12                  (4)    THE APPLICANT SUBMITS TO THE COMMISSION A STATEMENT  
13 ATTESTING TO THE FACT THAT:

14                  (I)    TO THE KNOWLEDGE OF THE APPLICANT, THE APPLICANT IS  
15 NOT THE SUBJECT OF DISCIPLINE OR A CURRENT INVESTIGATION OR PROCEEDING  
16 ALLEGING MISCONDUCT UNDER A LICENSING LAW OR CRIMINAL LAW OF THIS  
17 STATE OR ANY OTHER JURISDICTION;

18                  (II)   THE APPLICANT HAS REVIEWED, IS FAMILIAR WITH, AND  
19 AGREES TO BE BOUND BY THE:

20                               1.    PROVISIONS OF THIS SUBTITLE; AND

21                               2.    REGULATIONS OF THE COMMISSION; AND

22                  (III)   THE APPLICANT AGREES TO PERMIT THE DISCLOSURE TO THE  
23 COMMISSION OF THE RECORD IN ANY DISCIPLINARY PROCEEDING INVOLVING  
24 ALLEGED MISCONDUCT BY THE APPLICANT FROM ANY JURISDICTION IN WHICH THE  
25 APPLICANT IS OR HAS BEEN LICENSED;

26                  (5)    THE APPLICANT PAYS THE FEES REQUIRED UNDER THIS TITLE FOR  
27 THE COMPARABLE OR EQUIVALENT LICENSE FOR WHICH THE APPLICANT IS  
28 SEEKING A RECIPROCAL LICENSE; AND

29                  (6)    THE APPLICANT SUBMITS A CONSENT FORM TO SERVICE OF  
30 PROCESS, IN A FORM REQUIRED BY THE COMMISSION.

31 17-3A-05.

32    A REAL ESTATE SALESPERSON OR ASSOCIATE REAL ESTATE BROKER HOLDING  
33 A RECIPROCAL LICENSE MAY NOT CONDUCT BUSINESS IN THE STATE EXCEPT IN  
34 AFFILIATION WITH A REAL ESTATE BROKER HOLDING A STANDARD OR RECIPROCAL  
35 LICENSE.

1 17-3A-06.

2 IF THE APPLICANT FOR A RECIPROCAL REAL ESTATE BROKER LICENSE IS A  
3 CORPORATION, PARTNERSHIP, OR OTHER ENTITY, THE APPLICANT SHALL  
4 DESIGNATE IN ITS APPLICATION A REAL ESTATE BROKER HOLDING A STANDARD OR  
5 RECIPROCAL REAL ESTATE BROKER LICENSE.

6 17-3A-07.

7 (A) THIS SUBTITLE MAY BE IMPLEMENTED BY WRITTEN RECIPROCAL  
8 LICENSING AGREEMENTS WITH THE REAL ESTATE LICENSING AUTHORITIES OF  
9 OTHER STATES.

10 (B) THE COMMISSION SHALL ENTER INTO AN AGREEMENT TO PROVIDE A  
11 LICENSEE OF THIS STATE WITH THE OPPORTUNITY TO SECURE A LICENSE IN  
12 ANOTHER STATE THAT IS SUBSTANTIALLY COMPARABLE TO THE OPPORTUNITY  
13 AFFORDED TO A LICENSEE OF THE OTHER STATE BY THIS SUBTITLE.

14 (C) SUBJECT TO § 17-3A-08 OF THIS SUBTITLE, THE COMMISSION IS NOT  
15 REQUIRED TO ENTER INTO AN AGREEMENT WITH ANOTHER STATE BEFORE ISSUING  
16 A RECIPROCAL LICENSE TO A LICENSEE FROM THAT OTHER JURISDICTION.

17 17-3A-08.

18 (A) SUBJECT TO SUBSECTION (B) OF THIS SECTION, IF THE COMMISSION  
19 DETERMINES THAT ANOTHER STATE DOES NOT OFFER RECIPROCAL LICENSURE  
20 OPPORTUNITIES TO A LICENSEE OF THIS STATE THAT ARE SUBSTANTIALLY  
21 COMPARABLE TO THOSE AFFORDED TO LICENSEES OF THAT OTHER STATE BY THIS  
22 SUBTITLE, THE COMMISSION SHALL REQUIRE THAT RECIPROCAL LICENSE  
23 APPLICANTS FROM THAT OTHER STATE MEET EDUCATION, EXPERIENCE, AND  
24 EXAMINATION REQUIREMENTS SUBSTANTIALLY COMPARABLE TO THOSE REQUIRED  
25 BY THAT JURISDICTION WITH RESPECT TO LICENSEES OF THIS STATE WHO SEEK A  
26 RECIPROCAL LICENSE IN THAT OTHER STATE.

27 (B) ANY REQUIREMENTS IMPOSED UNDER SUBSECTION (A) OF THIS SECTION  
28 MAY NOT EXCEED THE REQUIREMENTS IMPOSED ON RESIDENTS OF THIS STATE FOR  
29 OBTAINING A STANDARD LICENSE.

30 17-3A-09.

31 THE COMMISSION SHALL ANNUALLY PUBLISH IN THE MARYLAND REGISTER  
32 AND MAKE AVAILABLE BOTH ON REQUEST AND ON THE INTERNET:

33 (1) (I) A LIST OF STATES WITH WHICH THE COMMISSION HAS SIGNED  
34 AGREEMENTS UNDER § 17-3A-07 OF THIS SUBTITLE; AND

35 (II) A SUMMARY OF THE TERMS OF EACH AGREEMENT LISTED  
36 UNDER ITEM (I) OF THIS PARAGRAPH; AND

1           (2)    (I)    A LIST OF THE STATES THAT THE COMMISSION HAS  
2 IDENTIFIED UNDER § 17-3A-08 OF THIS SUBTITLE AS NOT OFFERING  
3 SUBSTANTIALLY COMPARABLE RECIPROCAL LICENSURE OPPORTUNITIES; AND

4                   (II)    A DESCRIPTION OF THE ADDITIONAL REQUIREMENTS THE  
5 COMMISSION DETERMINES ARE NECESSARY FOR OTHER STATES TO COMPLY WITH  
6 THE REQUIREMENTS OF § 17-3A-08 OF THIS SUBTITLE.

7 17-3A-10.

8    (A)    A PERSON THAT HOLDS A RECIPROCAL LICENSE SHALL PROMPTLY  
9 NOTIFY THE COMMISSION IF THE PERSON ESTABLISHES A PRINCIPAL PLACE OF  
10 BUSINESS FOR THE PROVISION OF REAL ESTATE SERVICES IN THE STATE.

11   (B)    ON RECEIPT OF NOTICE GIVEN BY THE COMMISSION, A RECIPROCAL  
12 LICENSE MAY NOT BE RENEWED AND THE HOLDER OF A RECIPROCAL LICENSE  
13 SHALL BE REQUIRED TO OBTAIN A STANDARD LICENSE UNDER THE LICENSING  
14 PROVISIONS OF THIS TITLE.

15 17-3A-11.

16   (A)    SUBJECT TO SUBSECTION (B) OF THIS SECTION, THE HOLDER OF A  
17 RECIPROCAL LICENSE HAS THE SAME RIGHTS AND RESPONSIBILITIES AS A PERSON  
18 WHO HOLDS A COMPARABLE STANDARD LICENSE ISSUED UNDER THIS TITLE.

19   (B)    THE HOLDER OF A RECIPROCAL LICENSE IS:

20           (1)    NOT ELIGIBLE TO BE A MEMBER OF THE COMMISSION;

21           (2)    EXEMPT FROM THE REQUIREMENTS OF §§ 17-303, 17-304, 17-305, AND  
22 17-315 OF THIS TITLE; AND

23           (3)    EXEMPT FROM HAVING TO PASS AN EXAMINATION REQUIRED FOR A  
24 COMPARABLE STANDARD LICENSE.

25   SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
26 October 1, 2006.